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September 28, 2010

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VIA ELECTRONIC FILING

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Federal-State Joint Board on Universal Service, High Cost Universal Service
Support
CC Docket No. 96-45
WC Docket No. 05-337

Connect America Fund
WC Docket No. 10-90

National Broadband Plan
GN Docket No. 09-51

Dear Ms. Dortch:

On September 27, 2010, the undersigned, on behalf of the Puerto Rico Telephone Company, Inc. ("PRT"), met with Commissioner Robert McDowell. We discussed the Commission's recent *Sixth Broadband Deployment Report* and the finding that more Americans without access to broadband live in Puerto Rico than in any other U.S. state or territory. I explained that the exceedingly poor population on the island made deployment of broadband in Puerto Rico generally uneconomic in most areas without federal funding. I noted that the company has offered two solutions to this problem, both of which are pending before the agency: (1) the establishment of a non-rural insular fund for high cost loop support, as requested in a petition for reconsideration in WC Docket No. 05-337; and (2) a pilot program for funding broadband deployment in insular areas, which PRT proposed in its comments in response to the Connect America Fund NOI/NPRM in WC Docket No. 10-90. I urged the Commission to move forward swiftly with either or both of these alternatives to enable the people of Puerto Rico to access telecommunications and information services currently enjoyed by most Americans in the mainland U.S. I also provided Commissioner McDowell with a copy of MMTC's recent blog posting on the issue, which is attached hereto.



Ms. Marlene H. Dortch

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Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,

/s/ Henry M. Rivera

Henry M. Rivera

cc: Commissioner Robert McDowell

Puerto Rico: A Poster Child for Broadband and Social Justice



by [David Honig](#) on September 24, 2010

This Blog is dedicated to Broadband and Social Justice. Therefore, it is fitting that this Blog reports on a struggle that MMTC has been engaged in for many years—its thus far unsuccessful attempt to narrow the digital divide in Puerto Rico by persuading the Federal Communications Commission (FCC) to grant the citizens of Puerto Rico first class digital citizenship.

The FCC's July 20, 2010 Sixth Broadband Deployment Report ("Broadband Report") documented that many areas of our country are still unserved by broadband. In light of this finding, the July 29, 2010 issues of Communications Daily reported that Chairman Genachowski stated that "when up to 24 million Americans don't have access to a communications technology that is essential to participation in our 21st Century economy and democracy, I think that is unacceptable." MMTC agrees that this is unacceptable. And MMTC agrees that failing to act now is unacceptable.

The Broadband Report identifies with specificity the areas of our country that lack access to broadband. This is a critical starting point in any effort to bring broadband to all Americans. The report also finds that (1) unserved areas appear to have low income levels; (2) unserved areas appear to be more rural; and (3) subscription rates are lower in Native Homeland Areas.

The Broadband Report, however, has a glaring hole in its analysis. While there is no mention of Puerto Rico in the text of the report, the broadband data appended to the report tells a shocking story: As broadband is defined by the FCC, there is virtually no broadband service whatsoever in Puerto Rico and four million Hispanic citizens of our country are currently and totally relegated to second class digital citizenship. The Broadband Report also fails to recognize that Puerto Rico, in contrast to other unserved areas, is not rural but rather high density in nature with a

dramatically lower income level than other areas. Since one-sixth of all Americans who lack broadband live in Puerto Rico, and the data shows that Puerto Rico has different challenges from other unserved areas, MMTC calls upon the FCC to recognize these realities by treating Puerto Rico as a priority requiring immediate attention.

Specifically, the Broadband Report data shows that:

- 3,954,000 of the 24,042,000 Americans that do not have access to broadband live in Puerto Rico – roughly one sixth of unserved Americans reside in Puerto Rico.
- The entire population of Puerto Rico lacks access to the advanced broadband services available to other Americans (4 Mbps down and 1 Mbps up) – no areas on the island have such service available.
- The average median household income in Puerto Rico is \$13,189 as compared to \$34,809 for all areas of the United States and \$28,627 for unserved areas generally – by any metric, Puerto Rico has dramatically lower income levels.
- The average population density for Puerto Rico is 1,315.85 as compared with an average for all areas of 283.47 and for unserved areas generally of 138.30 – Puerto Rico is dramatically higher in population density than other unserved areas.
- The average percentage of rural households for Puerto Rico is 11.5% while the percentage for all areas is 59.1%, and the percentage for unserved areas generally is 72.6% – in contrast other unserved areas, Puerto Rico is not rural in nature.

Given these stark facts, the Commission cannot continue to sit idly by and allow the digital divide between Puerto Rico and the rest of America to grow even wider.

MMTC hopes the Chairman's recent statement signals an intent to take swift, aggressive steps to address the total lack of broadband in Puerto Rico. We are concerned, however, about the agency's historic disregard of the unique conditions in Puerto Rico. Past commissions have ignored Congress' directive to establish a universal service program for insular areas like Puerto Rico; have forced Puerto Rico into a high cost model for Universal Service Support that ignores the island's unique insular costs and low per capita income and terminated needed support; and have assumed that universal service is a problem limited to rural areas, not high density areas like Puerto Rico. Only recently has the Commission even collected broadband data regarding Puerto Rico and other insular areas. This second-class treatment of Puerto Rico has contributed to the sorry state of broadband infrastructure deployment contained in the Broadband Report.

So far, the Commission has not proposed a plan to address the digital divide in Puerto Rico. In response to Congressional inquiries, Chairman Genachowski indicated that Puerto Rico will have to wait for comprehensive USF reform, but that has not been forthcoming in two decades and appears unlikely to be forthcoming anytime soon. Notwithstanding Puerto Rico having the

nation's lowest telephony and broadband penetration rates by far, the Commission's National Broadband Plan does not address the situation in Puerto Rico or provide a strategy for remedying it. The FCC's Notice of Inquiry and NPRM concerning a new Connect America Fund (CAF) also does not address the unique needs of Puerto Rico. The Broadband Report does not mention Puerto Rico once in the text of the report – the text focuses instead on rural and Tribal areas. The Commission's recent Seventh Broadband Deployment Report Notice of Inquiry does not mention Puerto Rico. And surprisingly, even interactive broadband maps posted recently on the FCC website do not contain data for Puerto Rico – instead depicting the island like Cuba and Mexico.

The Commission missed a golden opportunity to stimulate the deployment of broadband infrastructure in Puerto Rico. In April, the FCC reversed a tentative conclusion of the prior Commission to establish universal service funding for insular areas, despite the Puerto Rico Telephone Company's commitment to use the funding to deploy much needed broadband infrastructure on the island. The Commission did this despite the support of the Congressional Representative for Puerto Rico, the Chair of the Financial Services Subcommittee of House Appropriations Committee, the Chair of the House Small Business Committee, the Chair of the Puerto Rico Telecommunications Regulatory Board, and numerous Latino advocacy groups, and civil rights organizations including MMTC. The Commission's decision is unsupportable against the clear facts concerning the state of telecommunications and the poor economic situation in Puerto Rico.

Further, the alternative the Commission offered in that decision – a Notice of Inquiry laying out a proposal to provide to certain low income customers a small one-time Link Up subsidy – does nothing to advance the building of infrastructure in Puerto Rico. Simply stated, a small subsidy to users is useless if no facilities or services exist. It's not even weak tea, but rather no tea at all for the broadband thirsty in Puerto Rico.

Fortunately, the Commission can act and act now to correct this mistake and to begin the building of broadband infrastructure for the people of Puerto Rico. There is a pending petition for reconsideration of its rejection of the insular proposal that has been supported by the Congressional Hispanic Caucus, the Puerto Rico Telecommunications Regulatory Board, two telecommunications providers in Puerto Rico, and a broad coalition of national consumer, Latino, minority and civil rights organizations, including MMTC. The Commission can take a substantial step toward digital equality by granting the petition's request to establish an insular fund and accepting the Puerto Rico Telephone Company's commitment to use the monies to fund broadband infrastructure. Doing so would jumpstart the construction of broadband infrastructure in Puerto Rico immediately and facilitate a much-needed economic stimulus to the people of the island.

The FCC has embarked on a mission of vital importance to our country. It has committed itself to ensuring that broadband reaches all Americans. MMTC urges the Commission to move now

to begin realizing that vision by directing focused attention to one of the most glaring of all broadband inequities. The people of Puerto Rico need and deserve the Commission's support if they are ever to participate in our 21st century economy and democracy. Anything less is unacceptable.

Photo: [Ocquendo on Flickr](#)



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David Honig is MMTC's President and Executive Director. He co-founded the Minority Media and Telecommunications Council (MMTC) in 1986. MMTC has represented over 70 minority, civil rights and religious national organizations in selected proceedings before the FCC, and it operates the nation's only full service, minority owned media and telecom brokerage.